

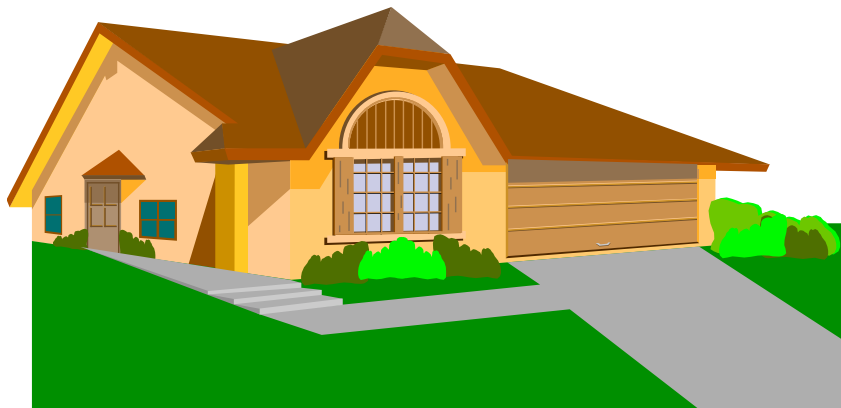


U.S. Army Corps of Engineers



DNRP – DoD National Relocation Program

Program Overview



February 2009





U.S. Army Corps of Engineers



DoD National Relocation Program (DNRP)

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DNRP Information Web Site

www.nab.usace.army.mil/dnrp

- Download DNRP Handbook
- Contact information
- Listing Exclusion Clause
- Relocation Services Request Form
- Home Marketing Tips
- Appraiser Interview Form
- DNRP Evaluation Form





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DNRP Business Concept

- **Centralized Relocation Services Program Administration**
 - National Relocation Program Office (NRPO) - USACE - Baltimore
 - Program Manager/Technical Staff/Contracting Officer
- **Relocation Services Provided by Nationwide Contractor**
- **BPA Calls Authorized with Ordering Activity's Fund Cite**
- **Invoices Paid by Ordering Activity's Paying Office**





DoD National Relocation Program (DNRP)

- **Alternative to JTR Entitlement for PCS Real Estate Sale Reimbursement**
- **Relocation Services Contractor Provides Guaranteed Offer to Purchase Primary Residence of Authorized DoD Transferring Civilian Employees**
- **Eligibility Criteria Determined by DoD Component**





DA Entitlement Criteria

DA Civilian Employees are entitled to DNRP when:

- **Moving into or between SES positions;**
- **Moving under provisions of a Mandatory Mobility Agreement;**
- **Moving as a result of a Management-Directed Action**
(e.g., Transfer of Function, RIF, Base Closure)





DNRP Services

- **Guaranteed Home Sale:**
 - Home Marketing Assistance
 - Appraised Value Offer
 - Amended Value Offer
 - Buyer Value Option
- **Property Management**
- **Destination Services:**
 - Mortgage Counseling
 - Homefinding Assistance





Guaranteed Home Sale

- **Alternative to JTR Real Estate Sale Reimbursement**
- **Relocation Contractor Makes Guaranteed Offer to Purchase Your Home for the Higher of Appraised Value Offer or Market Based Outside Offer Price**
- **Fee Paid by Government Covers Costs of Selling Home**
- **No Tax Liability on Government-Paid Contract Fee**
- **Process Complete in 60-90 Days**
- **Relocation Contractor's Offer Equals Average of 2 Appraisals**
- **Home Marketing Assistance to Achieve Amended Value Offer**
- **Equity Advance Available**





Guaranteed Home Sale

Property Requirements:

- **Principal Residence - from which employee commutes to work on daily basis at time of notification of transfer (date of PCS orders)**
- **Owned by Employee and/or Dependent**
- **Conforms with Legal and State/Local Code Requirements for Sale**
- **Structurally Complete, Financeable, & Insurable**
- **Operable physical systems**
- **If Rented - Tenant Must Vacate**





Pro-Rata Shared Fee

What: The employee shares payment of the contractor fee with the government in proportion to percentage of ownership or portion of the property owned by non-eligible individual or family member, or percentage of property value in excess of \$750,000.

Applies When:

- Duplex or Multiple Occupancy Dwelling
- Excess Land
- Joint Ownership with Non-Eligible Person
- Appraised Value in Excess of \$750,000
(May Be Waived)





Guaranteed Home Sale

Ineligible Residences:

- Boats/Houseboats
- Mobile Homes on rented lots
- Mobile Homes not considered real property
- Residences containing toxic substances
- Cooperative Housing
- Homes that cannot be financed or insured





Home Marketing Assistance

The 2 Most Important Decisions When Listing Your Home:

1. Selecting a qualified listing agent

- Interview several prospective agents. Your agent should
 - have relocation training or certification
 - Have a successful track record of listing/selling homes similar to yours in your area
 - Propose and commit to a formal 30-60-90 day marketing action plan

2. Pricing your home realistically

- Properties priced realistically sell more quickly and for higher prices than homes over-listed initially

The DNRP relocation contractor can refer you to and/or assist you to select a qualified listing agent





Guaranteed Home Sale

Home Marketing Assistance

- DoD encourages utilization of contractor's recommended brokers
- 60 days mandatory home marketing period after DNRP service initiation before Appraised Value Offer may be accepted
- Initial home listing price NTE 110% of contractor's broker's market analysis value
- When Appraised Value Offer is established, home listing price NTE 105% of AVO
- Objective is to achieve market-based sale equal to or greater than Appraised Value Offer





Home Marketing Assistance

Relocation Contractor will:

- Recommend Reliable Real Estate Broker
- Arrange for Broker's Market Analysis (BMA)

Broker will:

- Help Determine Realistic List Price
- Recommend Marketing Plan
- Suggest Repairs or Improvements

You will:

- List with Exclusion Clause (Listing Addendum)
- List Price NTE 110% of Contractor's BMA
- Adjust List Price NTE 105% of Appraised Value Offer (when established)





Guaranteed Home Sale – Service Initiation

- Initial Call w/ Contractor's Relocation Counselor
- Appraiser List
- Broker Market Analysis
- Appraiser Selection, 2 Appraisals Ordered
- Inspections: e.g. General Home, Structural, Well, Septic, Pest, Mold, Appraiser-Recommended
- Title Search
- Mortgage, Tax, HOA Research
- Homeowner Property Condition Disclosure Forms
- Begin Mandatory 60 day Home Marketing Period





Appraised Value Offer

- Offer made to you by the Relocation Contractor is based on the average of two in-range ERC appraisals performed by qualified appraisers of your choice.
- If first two appraisals vary by more than 10%, a third appraisal is performed and the offer is based on the average of the two closest appraisals.





Relocation Appraisal

What is it?

The relocation appraisal establishes the anticipated selling price of a property that is exposed to the real estate market for a reasonable period of time (up to 120 days).





Relocation Appraisals

- **Comply with Relocation Appraisal Guidelines Established by the Worldwide ERC**
- **Establish Anticipated Sales Price**
- **Consider Reasonable Marketing Time of up to 120 Days**
- **Marketplace Provides Comparable Sales**
- **Inspections and Brokers Market Analysis Provide Additional Information**
- **Appraisals Reflects Property's "As Is" Condition**
- **Employees Should Provide Comparable Sales Information to Appraisers That They Feel Should be Considered in Establishing Value**





Relocation Appraisal

Who does it?

- **Qualified Independent Fee Appraisers**
- **Selected By Employee**
- **Relocation Contractor Provides List of Appraisers**
- **Qualified Off-List Appraisers May be Requested**
- **Relocation Contractor Orders Appraisals**





Inspections and Required Repairs

- **General Home Inspection**
- **Inspections required by law or local custom, and other inspections recommended by appraisers**
- **Copies of inspection reports provided to employee with itemized listing of any repairs required for DNRP home acquisition**
- **Required repairs are limited to only those items necessary for home sale program eligibility, i.e.,**
 - safety violations
 - structural problems
 - state/local health, safety or fire codes
- **Employee can complete repairs or have estimated cost of repairs deducted from equity**





Appraised Value Offer = “Safety Net”

- **Receive Offer by Phone**
 - 60 Day Acceptance Period Begins
- **Followed by Written Contract of Sale**
- **Employee Options:**
 - Accept Guaranteed Home Sale Offer
(After 60 Days Home Marketing Time)
 - Obtain Amended Value Sale
 - Reject Offer/Let it Expire
 - Ask for Reconsideration (Within 21 days)





Amended Value Offer

A bona fide offer presented by a third-party potential buyer to the transferee that represents a net market value which may be More Than, Equal To, or Less Than the Appraised Value Offer made by the Relocation Contractor.





Amended Value Offer

- **You Market Home with Listing Exclusion Clause**
- **Refer Potential Buyer (Market-Based Offer) to Contractor's Counselor**
- **Bona Fide Offer Determined by Relocation Contractor**
- **Contractor "Amends" Appraised Value Offer to You**
- **You Sell to Relocation Contractor at Amended Value Amount**
- **Relocation Contractor Sells to Third-Party Buyer**





Buyer Value Option (BVO)

Employee:

- Markets Home with Listing Exclusion Clause
- Receives Market-Based Offer Prior to Appraisal Process
- Refers Potential Buyer to Contractor's Counselor

Contractor:

- Determines if Offer is Bona Fide
- Buys Employee's Home at Net Sale Price of Outside Offer
- Contractor Sells to Third-Party Buyer





Home Marketing Incentive Payment (HMIP)

- Cash bonus incentive payment to employee for successful home marketing in DNRP, and selling home to relocation company under Buyer Value Option (BVO) or Amended Value Sale programs
- Authorized in JTR, Vol. 2, Chapter 5, Part Q.3
- Requires Agency/Command Approval
- HMIP with DNRP ONLY!
- Government Shares Savings on Amended Fee
- Amended Sale MUST Close with Original Buyer!





Market-Based Sales

Win-Win-Win!

- **Winner #1 = You Get More \$ for Your Home (+ HMIP bonus)**
- **Winner #2 = DoD Pays a Lower Fee**
- **Winner #3 = Contractor Has Ready Buyer**





Market-Based Offers

- **Market-Based Offers = Amended Value Offers and Buyer Value Option (BVO) Offers**

WARNING

- **Do Not Sign or Initial Anything!!!**
- **Do Not Accept Deposit or Earnest Money!!!**
- **You Will Be Disqualified from DNRP!!!**
- **Immediately Contact Contractor's Counselor or NRPO if you get a Market-Based Offer**





Payment of Equity

- **Equity will be Paid to You within 5 Days of Contract Acceptance**
- **Equity Advance Option - You may Request up to 75% of Equity Based on Appraised Value Offer**
- **Your Mortgage is Serviced until Resale**
- **Mortgage Paid Off if Lender Required**





Guaranteed Home Sale Timeline Guidance

- **Confirmation Call from NRPO** 3 Bus. Days
- **Intro Call from Contractor** 2 Bus. Days
- **List House With Realtor** ASAP
- **Selection of Appraisers** 3 Days
- **Appraised Value Offer** 21 Days
- **Offer Acceptance Period** 60 Days
- **Equity Payment** 5 Days
- **Vacate Period (After Acceptance)** 30 Days

Note: Mandatory Home Marketing Time = 60 Days





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Destination Area Assistance

No Cost Services:

- Homefinding Assistance
- Mortgage Counseling





Destination Home Search

- Free to all DoD employees
- No Travel Orders Needed
- Destination Area Information
- Advice on Planning Home Search
- Selection and Scheduling of Brokers
- Research on Family Requirements
- Follow-up and Quality Control





Mortgage Counseling

- **Referral to Choice of National Relocation Mortgage Lenders**
- **Information on Mortgages - Types, Rates, Terms, Fees, etc.**
- **Preferential Rates and Terms for Transferring DoD Employees**
- **Free Loan Pre-qualification**
- **Expedited Application Processing**





Property Management

- Alternative to Guaranteed Home Sale
- Employees may arrange for PM services outside of DNRP (and be reimbursed for PM costs up to 10% of monthly rent)
- DNRP PM Services include
 - Establish fair rental value
 - Obtaining tenant
 - Negotiate/execute rental lease
 - Property management (inspections, maintenance & repairs)
 - Financial management (collect rent, pay mortgage and operating expenses, account and report quarterly)





DNRP Benefits

- **Provides Guaranteed Appraised Value Offer**
- **Eliminates Real Estate Sale Reimbursement Voucher**
- **Employee Receives Full Equity Payment Without Any Deductions for Real Estate Commission, Transfer Taxes, Attorney's Fee, etc.**
- **Equity Advance Program**
- **Eliminates Problems of Absentee Ownership**
- **Minimizes Temporary Quarters Costs**
- **Facilitates PCS Moves - Enables You to Focus on the Job...Not Selling the House!**





How to Apply for DNRP Services

- Authorization for Relocation Services MUST be on original PCS orders (cannot be added afterwards)
- Employee Submits Relocation Service Request Form (Handbook, Appendix 1, Part 1) to Civilian Personnel Office (CPO)
- HR Verifies Agency Eligibility Criteria On Request Form (Part 2) and Prepares Travel Orders with DNRP Authorization
- Budget Office Certifies Availability of Funds on Request Form (Part 3)
- HR Faxes Request Form/Travel Orders to NRPO





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National Relocation Program Office (NRPO)

**U.S. Army Corps of Engineers
Baltimore District
Real Estate Division**

1-800-344-2501

FAX: 410-962-4322





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Department of Defense

National Relocation Program (DNRP)

